

New Form 1099-NEC (Nonemployee Compensation) for 2020

Beginning with reporting for the 2020 tax year, nonemployee compensation (NEC) will be reported in box 1 of Form 1099-NEC (Nonemployee Compensation). For 2019 and prior years, NEC is reported in box 7 of Form 1099-MISC (Miscellaneous Income).

Statements to Recipients

If Form 1099-NEC is required to be filed, the recipient must be furnished a statement. The statement must be Copy B (and possibly Copies 1 and 2) of the official IRS form or an acceptable substitute. Copy B of Form 1099-NEC must be furnished to the recipient by January 31 of the year following the calendar year for which the return is required to be filed. If the regular due date falls on a Saturday, Sunday, or legal holiday, the due date is the next business day.

When to File

Forms 1099-NEC must be filed with the IRS by January 31 of the year following the calendar year to which the return relates. This deadline applies whether filing Form 1099-NEC electronically or on paper. If a due date falls on a Saturday, Sunday, or legal holiday, the due date is the next business day. The 2020 Form 1099-NEC must be filed by February 1, 2021, since January 31, 2021, is a Sunday.